



DEPARTMENT OF MENTAL HEALTH POLICY/PROCEDURE

SUBJECT INVENTORY CONTROL – LAC-CAL	POLICY NO. 800.3	EFFECTIVE DATE 06/01/91	PAGE Page 1 of 5
APPROVED BY: original signed by: FRANCES DOWLING <div>Director</div>	SUPERSEDES N/A	ORIGINAL ISSUE DATE 06/01/91	DISTRIBUTION LEVEL(S) 1, 3

PURPOSE

- 1.1 To provide guidelines for the control and maintenance of all Los Angeles County – Capital Assets Leasing Corporation (LAC-CAL) items of equipment assigned to the Department of Mental Health (DMH).

POLICY

- 2.1 The DMH shall conduct a system-wide inventory of its LAC-CAL items of equipment at least once annually. On an ongoing basis, the issuance and controls over LAC-CAL items shall be managed via a system which provides ready identification and location of such equipment as well as ease of retrieval, redistribution, salvage and/or other disposition as may be necessary. Issuance and controls shall be executed in full compliance with County of Los Angeles, Auditor-Controller Fiscal Manual, Section 6.1.5.

BACKGROUND

- 3.1 LAC-CAL was formed to finance equipment purchases with the proceeds of revenue bonds. These funds are used by LAC-CAL to acquire equipment on behalf of the County. LAC-CAL (lessor) leases the equipment to the County (lessee). The County receives the equipment and makes lease payments to LAC-CAL. When all lease payments have been satisfied relative to an item of equipment, title to the equipment transfers from LAC-CAL to the County.

PROCEDURE

- 4.1 The Inventory Control Unit (ICU) of the Administrative Support Bureau (ASB) is responsible for conducting a physical inventory of all DMH LAC-CAL equipment during each fiscal year, utilizing the Master List and "instructions" provided by the Auditor-Controller. The DMH custodian for the LAC-CAL Inventory Master List is the Chief, ASB, who is responsible for its control.
- 4.2 During the third quarter of each calendar year, the Auditor-Controller will provide each department with "Instructions for Filing LAC-CAL Equipment Inventory," along with a master list of LAC-CAL items in that Department's possession as of the close of business on the preceding June 30. The completed inventory and the signed Inventory Certification must be returned by ASB to the Auditor-Controller on or before December 31 of the calendar year it is received.



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4.3 Maintenance of the Departmental Master Equipment List

The Master List, which includes the special LAC-CAL equipment numbers, is a primary tool in the record maintenance of LAC-CAL equipment for ASB.

- 4.3.1 ASB, Inventory Control Unit, shall maintain a complete and accurate record of each LAC-CAL item. DMH LAC-CAL records shall be organized in a manner and processed consistent with that of the Fixed Asset and Portable Items of Equipment inventories. ASB staff will also maintain an in-house LAC-CAL automated data file (Departmental Master Equipment List) on an ongoing basis.
- 4.3.2 All LAC-CAL equipment purchased for DMH use shall be labeled with special LAC-CAL equipment tags ("red" equipment stickers and "red" metal tags that have been designed and distributed by the Auditor-Controller's Fixed Assets Unit to authorized personnel). These tags are to be affixed in visible locations on LAC-CAL items by ASB staff.
- 4.3.3 It shall be the responsibility of the receiving party (i.e., the division or facility which receives leased LAC-CAL equipment) to contact ASB immediately upon receipt of equipment for the purpose of documentation. Only those equipment items delivered directly by the vendor or manufacturer should be received without a DMH or LAC-CAL inventory tag. In these instances immediate notification to ASB is essential regardless of whether such items are known to be LAC-CAL or not.
- 4.3.4 ABS staff shall prepare and submit a "LAC-CAL Inventory Acquisition Check Sheet" to the Auditor-Controller's Office immediately upon notification and verification of delivery of new LAC-CAL equipment.
- 4.3.5 Newly received LAC-CAL equipment which has not been inventoried or installed should be stored in a secure area by departmental staff (ASB should be notified as to temporary location).
- 4.3.6 All LAC-CAL equipment shall be maintained and operated in accordance with manufacturers' specifications.

4.4 Distribution of Departmental Master and Secondary Equipment Lists

- 4.4.1 The ASB Chief is the custodian of the Departmental Master Equipment List. Secondary printouts shall be produced, sorted by individual division or facility/location cost code and distributed to the Equipment Control Liaison at each respective facility/division.
- 4.4.2 The Secondary Lists shall include all the items located at each specific facility/division.



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- 4.4.3 The Secondary Lists shall be reviewed by each Division or Facility Liaison for accuracy and completeness with discrepancies reported to the Head, Inventory Control Unit, within three (3) weeks after the list is promulgated.
- 4.4.4 Upon completion of the review, the Liaisons shall sign the Division Control Form (Attachment I) certifying verified location of and responsibility for all LAC-CAL items assigned to his/her division or facility.
- 4.4.5 It becomes the duty of the Liaison to monitor and safeguard all LAC-CAL equipment in his/her charge. Each Liaison will maintain the Secondary List in a manner consistent with controls established for use by the ASB.
- 4.4.6 Control within a division/facility shall provide that:
 - 4.4.6.1 Overall control is assigned to one specified individual (Liaison) within a division or facility. The Equipment Control Liaison's routine assignments should not include any purchasing or receiving of equipment responsibilities. Accountability for each item is assigned to one employee whether or not said item is used by more than one staff member, i.e. photocopy machines.
 - 4.4.6.2 All LAC-CAL items are secured at the end of each work day at an authorized location which ensures safety and accountability of the item.
 - 4.4.6.3 The division or facility should notify ASB in writing at least five (5) working days prior to reassignment of equipment within the division/facility.
 - 4.4.6.4 The division or facility should notify ASB five (5) working days prior to trading or transferring any equipment to another division or facility.
 - 4.4.6.5 Upon discovery that an item is lost, damaged, missing and/or suspected theft is at issue, the Liaison will immediately perform the steps listed in Section 4.5 below.
 - 4.4.6.6 A revised printout of authorized changes in data listings is received from the Inventory Control Unit within 45 days after submission of change notice and follow-up is conducted as needed.

4.5 Report of Lost/Damaged/Missing/Stolen Items

LAC-CAL equipment is commercially insured for all-risk physical damage and self-insured for third party liability. The Auditor-Controller will continue to bill DMH for missing or inoperable



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equipment until or unless a lost report document is filed. Report must be filed even if supporting documents are not available, i.e., fire/police report, et al.

4.5.1 Missing or suspected stolen LAC-CAL items must be reported to the Auditor-Controller immediately through established channels.

4.5.1.1 It is the responsibility of the Facility/Division Equipment Control Liaison to telephone the ASB Chief immediately upon discovery that LAC-CAL items are damaged. A written report to ASB must follow as instructed by the Chief, ASB. The ASB Head, Inventory Control Unit, shall also report such incidents discovered at times of annual physical inventory.

4.5.2 In the event of loss or damage, the ASB Chief shall complete and submit a "LAC-CAL Report of Loss or Damage" and a "LAC-CAL Inventory Transfer Advice Form" to the Auditor-Controller, Fixed Assets Unit.

4.5.3 For any County-owned equipment discovered to be lost/missing or stolen, a police report number; type of equipment; property tag number and a full description should be included in the memo to ASB in accordance with the County Fiscal Manual, Sections 6.5.1 and 6.5.2.

4.5.4 Employees found to be negligent or directly responsible for equipment loss may be subject to disciplinary action.

4.6 LAC-CAL Transfers

4.6.1 The ASB Inventory Control Unit will complete and submit a "LAC-CAL Intradepartmental Location Change Form" to the Auditor-Controller, Fixed Assets Unit, whenever a LAC-CAL item is moved to another location within the DMH.

4.6.2 The ASB Inventory Control Unit will complete and submit a "LAC-CAL Inventory Transfer Advice" form to the Auditor-Controller whenever there is a change in status or disposition of equipment in DMH custody.

4.7 Repairs

4.7.1 LAC-CAL equipment is commercially insured for all-risk physical damage and self-insured for third-party liability. Requests for repairs should be referred to the Head of the ASB Inventory Control Unit.

4.7.2 The ASB Chief shall coordinate the repair of LAC-CAL equipment items as directed by the CAO, Professional Risk Management Division.



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AUTHORITY

Los Angeles County Fiscal Manual, Section 6.1.5.

ATTACHMENT

Attachment I

COUNTY OF LOS ANGELES DEPARTMENT OF MENTAL HEALTH

LAC-CAL Equipment Inventory Release

The undersigned authorized staff hereby assumes all responsibility and liability for all LAC-CAL equipment listed under the Location Cost Code _____, reproduced on the attached printout. Verification for same has been confirmed by _____, Administrative Support Bureau, who will attest to its accuracy.

The undersigned agrees to follow all controls established for LAC-CAL equipment as described in the Administrative/Policy and Procedures Manual, a copy of which is attached.

_____ Authorized Staff	_____ Date
_____ Administrative Support Bureau	_____ Date
Approved by: _____ Division Chief or above	_____ Date